



State of Utah

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DWS News Release

For 9:00 a.m. Release

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UTAH'S EMPLOYMENT SITUATION: August 2005

Utah's seasonally-adjusted unemployment rate for August registered 4.4 percent, down 0.8 percentage points from the unemployment rate of 5.2 percent registered a year ago in August 2004. Approximately 55,200 Utahns were unemployed in August 2005 as compared to 63,000 in August 2004. July's unemployment rate remains unrevised at 4.7 percent.

Utah's other primary indicator of current labor market conditions, the year-over change in the number of nonfarm wage and salaried jobs, registered 3.6 percent. This is a slight upward movement from the growth rates observed over the past several months. July's growth rate is unrevised and remains at 3.5 percent.

Mark Knold, Senior Economist for the Department of Workforce Services commented, "This month's numbers are all reflective of the economic environment prior to the events surrounding Hurricane Katrina. The Utah economy is standing on a solid foundation and is well-positioned to take the economic punch that is anticipated to come from Katrina, particularly through higher energy prices. We saw the immediate affect of Katrina on gasoline prices at the pump, and it is not anticipated that they will drop anytime soon. In addition, there is another round yet to come this winter, when we will also be paying more for our heating costs. This short-term outlook leads one to conclude that the economy will see some slowing in the months ahead."

Since August 2004, the United States economy has added 2.3 million new jobs — a growth rate of 1.7 percent. Utah's economy added approximately 39,900 new jobs, a growth rate of 3.6 percent. The Utah additions represent about 1.7 percent of all the new jobs added in the United States over the past year. The United States' unemployment rate stands at 4.9 percent.

Utah's employment expansion remains evident across all industries. Employment gains over the past year range from 600 in the natural resources and mining classification to 8,800 in professional and business services and 8,600 in construction. Those last two sectors account for 44 percent of all new jobs added in Utah over the past year.

As mentioned, the most new jobs were added in professional and business services. As a whole, this sector pays about 14 percent higher wages than the Utah average. Not all jobs in this sector are high-paying though. Some of the business services jobs are temporary help and placement-type positions, and they are generally not characterized by high pay. But they do make up less than half (42 percent) of the new jobs added in this classification. The remaining majority are high-paying, professional, knowledge- and education-based jobs. That portion shows average wages around 55 percent higher than the overall Utah average wage.

Construction added 8,600 new jobs over the past year. That is a growth rate of over 11 percent. Strong employment growth has been observed in this sector for well over a year now. Housing activity remains the key driver, but nonresidential projects are also making a significant contribution to the construction boom.

Education and healthcare keeps adding jobs. This sector shows no signs of weakening. Over the past year, 2,800 new jobs have developed. Since August of 2000 — a period that included a recession — 22,600 education and healthcare jobs have been added here in Utah.

Knold further commented, "I'm assuming that the question on everyone's mind is how Hurricane Katrina will affect the economy, not only nationally, but also here in Utah. It appears that economic growth will be hobbled by this event. I believe that it will have more of a negative impact on the national economy than it will on the Utah economy. Even then, it is hard not to see this event slowing the Utah economy. Nationally, I don't see a recession, but the economic momentum seen over the past year will be deflated. I believe this was going to happen anyway, as the worldwide energy market was slowly but steadily pushing energy prices higher, and there eventually comes a point where the economy will react negatively. Katrina may have set this slowdown in motion."

"I see two major areas of economic impact. The first will be in higher energy prices, and that will come in two waves. The first will be over the next two months in high, and probably higher, gasoline and jet fuel prices. The second wave will come during the winter months with higher heating bills. Heating oil is the most volatile energy product and may be in short supply, but that has more impact on eastern states than it does here in Utah. Natural gas is our major heating fuel, and though not in short supply, it will be more costly because of the disruptions back east. That means not only will our natural gas bills be higher, but also our electricity bills, since natural gas is a major fuel for that industry."

"The second impact will be in transportation disruptions that will cause short-term bottlenecks and supply disruptions nationwide. Utah ships much of its export flow through California ports, but they are already operating at full bore. One must assume that they may be asked to handle an increased flow of goods, affecting not only exports but also imports. This suggests bottlenecks. The bottlenecks in the west however, will probably not be as bad, or cause as much impact on the western United States, as will the bottlenecks back east. But taken as a whole, everyone will feel some negative effect, some areas more than others."

"Because of Utah's relative distance from the Gulf Coast and a market focus that looks more west than east, our economy should not be severely impacted. Our commerce is tied more to California and the western United States than to the Gulf Coast. But we will feel some impact. Utah currently has one of the best-performing economies in the nation. If something negative is to happen, it helps to be at a high level when such an event occurs."

"We sympathize with our fellow countrymen in the south. Individually, this storm traumatized many lives, and economically, it was a major blow to their livelihoods. Fortunately, Utah has been able to help some of the people displaced by this storm."

Utah's September employment numbers will be released at 9:00 a.m. on Tuesday, October 18, 2005.

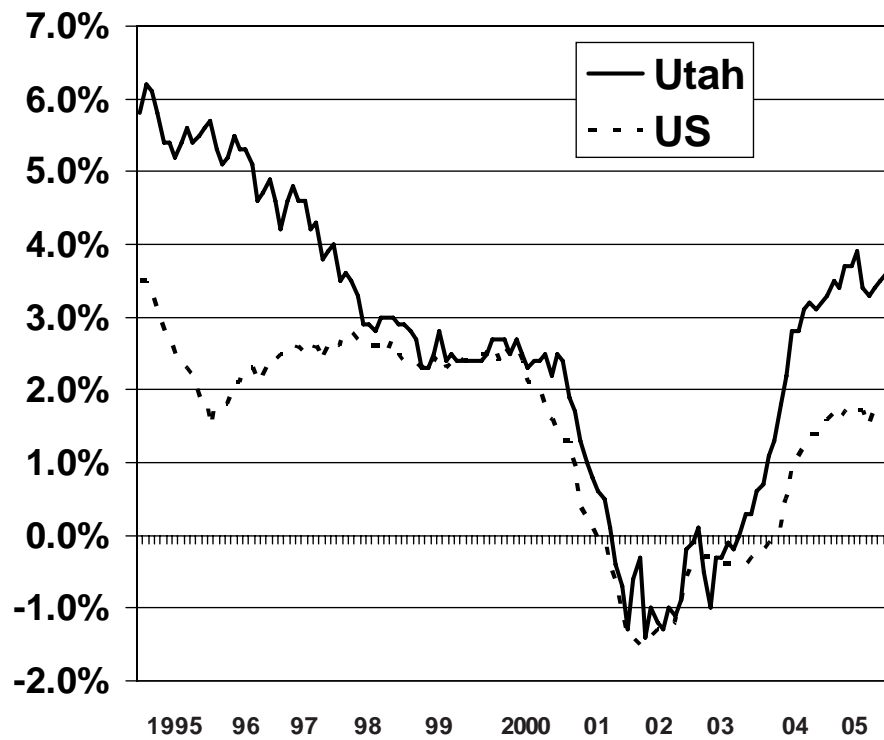
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Utah Nonagricultural Jobs by Industry and Components of the Labor Force

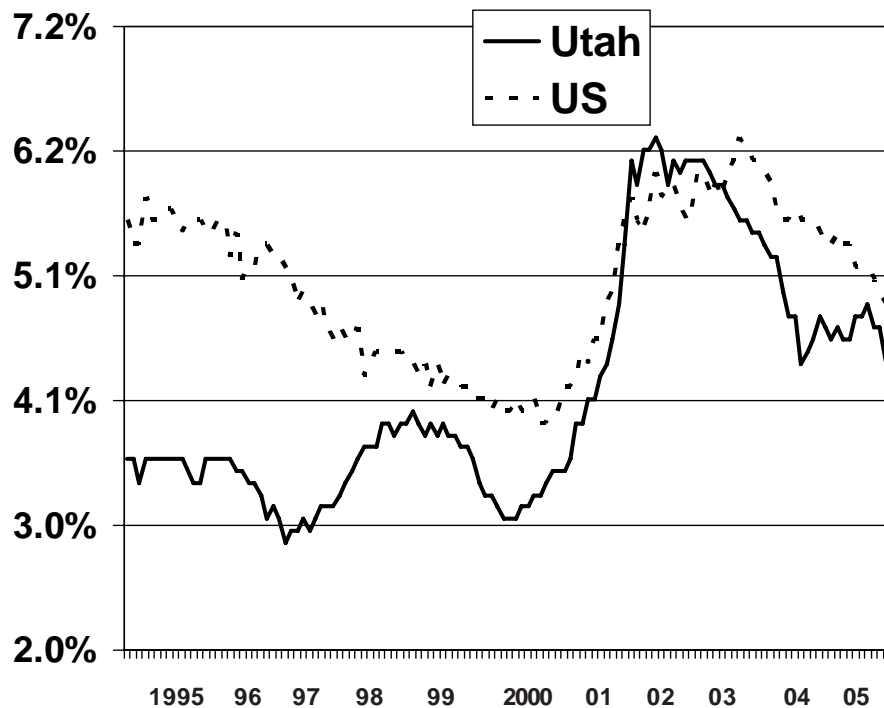
Numbers are in thousands and are not seasonally adjusted.	August(f) 2005	August 2004	Percentage Change	July(r) 2005	July 2004	Percentage Change
CIVILIAN LABOR FORCE	1,253.2	1,212.6	3.3	249.5	1,210.7	-79.4
Employed	1,195.8	1,148.3	4.1	191.2	1,146.6	-83.3
Unemployed	57.4	64.3	-10.7	58.3	64.1	-9.0
Unemployment Rate	4.6	5.3		4.7	5.3	
NONAGRICULTURAL EMPLOYMENT (Thousands)	1,143.3	1,103.4	3.6	1,135.7	1,097.4	3.5
GOODS PRODUCING	212.6	200.9	5.8	209.9	200.0	4.9
Natural Resources, and Mining	7.9	7.3	7.9	7.8	7.3	7.4
Construction	86.4	77.8	11.1	84.2	77.1	9.2
Construction of Buildings	18.7	17.1	9.1	18.4	16.9	9.1
Heavy and Civil Engineering	9.5	8.7		9.2	8.6	
Specialty Trade Contractors	58.3	52.0	12.1	56.7	51.7	9.6
Manufacturing	118.3	115.8	2.1	117.8	115.6	2.0
Durable Goods	78.5	76.4	2.7	78.1	76.2	2.6
Primary and Fabricated Metals	15.3	14.6	5.0	15.3	14.5	5.2
Computer and Electronic Products	11.0	10.9	0.8	11.0	10.9	1.2
Transportation and Equipment Manufacturing	14.5	13.8	4.8	14.2	13.8	2.9
Non-Durable Goods	39.9	39.4	1.0	39.7	39.4	0.8
Food Manufacturing	13.5	14.0	-3.5	13.5	14.0	-3.6
Printing and Related Support Activities	7.2	6.9	4.2	7.1	6.9	3.4
SERVICES PROVIDING	930.7	902.5	3.1	925.8	897.4	3.2
Trade, Transportation, and Utilities	225.9	219.9	2.7	225.3	218.9	2.9
Wholesale Trade	42.5	41.3	2.9	42.5	41.3	2.9
Retail Trade	136.3	133.6	2.0	135.6	132.7	2.2
Motor Vehicle and Parts Dealers	17.2	16.8	2.4	17.2	16.7	2.8
Food and Beverage Stores	22.3	22.6	-1.0	22.4	22.5	-0.1
General Merchandise Stores	26.5	26.5	0.0	26.3	26.3	-0.1
Transportation and Utilities	47.1	45.0	4.7	47.2	44.9	5.1
Utilities	3.9	3.9	1.2	3.9	3.9	1.0
Transportation & Warehousing	43.2	41.1	5.0	43.2	41.0	5.5
Air Transportation	6.8	5.9	15.6	6.8	5.9	15.0
Truck Transportation	17.6	17.7	-0.3	17.8	17.5	1.5
Information	31.1	30.2	3.1	31.0	30.0	3.3
Publishing Industries	8.7	8.5	1.6	8.6	8.5	1.1
Motion Picture and Sound Recording	4.5	4.4	3.7	4.5	4.7	-4.1
Telecommunications	5.9	5.7	3.2	5.9	5.7	
Internet Service Providers	8.1	7.0	16.5	8.0	6.9	15.5
Financial Activities	66.7	65.1	2.5	66.7	65.1	2.4
Finance and Insurance	50.5	49.6	1.8	50.6	49.6	1.9
Real Estate and Rental and Leasing	16.2	15.5	4.8	16.1	15.5	4.0
Professional and Business Services	149.0	140.2	6.3	147.8	139.1	6.3
Professional, Scientific, and Technical Services	54.5	51.0	6.9	54.3	50.8	6.9
Architectural, Engineering, and Related	10.8	10.2	6.5	10.7	10.2	4.7
Computer Systems Design and Related	11.4	10.8	4.9	11.3	10.9	3.9
Management of Companies and Enterprises	20.8	20.9	-0.3	20.6	20.8	-1.0
Administration & Support						
& Waste Management & Remediation	73.7	68.4	7.9	72.8	67.4	8.1
Employment Services	24.0	21.1	13.9	23.6	20.3	16.3
Business Support Services	16.5	16.4	1.1	16.7	16.3	2.8
Education and Health Services	125.5	120.8	3.8	124.2	119.8	3.7
Educational Services	25.2	24.0	4.8	24.9	23.7	4.9
Health Services and Social Assistance	100.3	96.8	3.6	99.3	96.0	3.4
Ambulatory Health Care Services	38.2	36.4	4.8	38.0	36.2	4.9
Hospitals	29.3	28.3	3.4	28.9	28.2	2.3
Nursing and Residential Care Facilities	18.7	18.2	2.9	18.7	18.1	2.9
Social Assistance	14.1	13.9	1.5	13.8	13.5	2.1
Leisure and Hospitality	107.8	105.0	2.6	107.5	104.5	2.9
Arts, Entertainment, and Recreation	17.3	16.1	7.1	17.4	16.2	7.2
Accommodation and Food Services	90.6	88.9	1.8	90.1	88.3	2.1
Accommodation	17.6	17.2	2.1	17.6	17.2	2.1
Food Services and Drinking Places	72.9	71.7	1.8	72.5	71.1	2.1
Other Services	34.5	34.0	1.6	34.6	34.1	1.4
Government	190.2	187.2	1.6	188.7	185.9	1.5
Federal Government	35.1	35.0	0.4	35.1	35.1	-0.1
Federal Defense	16.3	15.9	2.4	16.3	15.9	2.1
Other Federal Government	18.8	19.0	-1.3	18.8	19.2	-2.0
State Government	60.3	58.6	3.0	59.6	57.7	3.2
State Schools	31.9	31.1	2.7	30.9	30.1	2.4
Other State Government	28.5	27.5	3.4	28.7	27.6	4.1
Local Government	94.7	93.7	1.1	94.1	93.1	1.0
Local Education	49.5	48.5	1.9	48.6	47.5	2.1
Other Local Government	45.2	45.1	0.3	45.5	45.6	-0.1

Source: Utah Department of Workforce Services f = forecast r = revised September 13, 2005

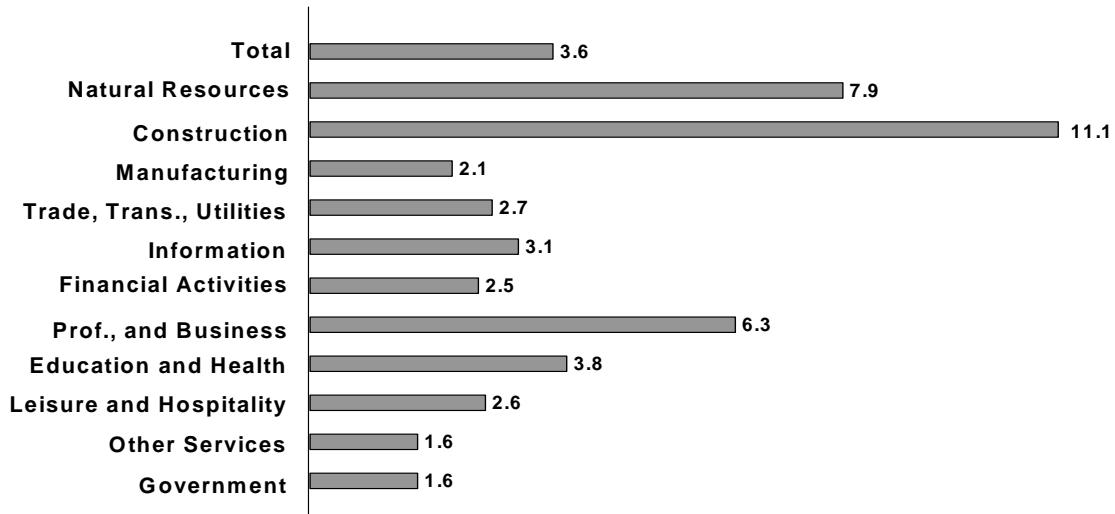
Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates

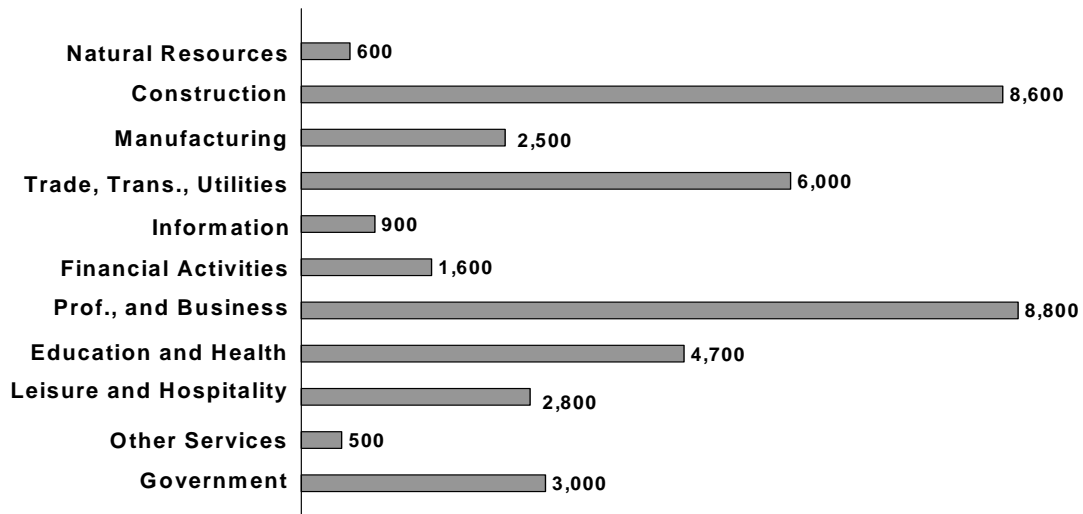


Utah Nonfarm Job Growth (Percent Change) August 2004 – 2005



Source: Utah Department of Workforce Services

Utah Nonfarm Job Growth (Numeric Change) August 2004 – 2005



Source: Utah Department of Workforce Services

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	August 2005(f)	August 2004	Percent Change	July 2005(r)	June 2005(r)
State Total	1,143,314	1,103,432	3.6	1,135,685	1,147,446
Bear River	66,198	63,877	3.6	65,107	66,774
Box Elder	18,162	18,414	-1.4	18,085	18,459
Cache	47,102	44,548	5.7	46,100	47,455
Rich	934	915	2.1	922	860
Wasatch Front	758,521	734,828	3.2	755,235	758,602
North	191,148	185,038	3.3	191,314	192,680
Davis	99,029	94,290	5.0	99,912	100,636
Morgan	2,047	1,951	4.9	2,043	2,087
Weber	90,072	88,797	1.4	89,359	89,957
South	567,373	549,790	3.2	563,921	565,921
Salt Lake	553,556	537,138	3.1	550,093	552,009
Tooele	13,817	12,652	9.2	13,828	13,912
Mountainland	187,738	179,859	4.4	185,046	188,095
Summit	17,859	16,709	6.9	17,603	17,181
Utah	164,119	157,896	3.9	161,760	165,038
Wasatch	5,760	5,254	9.6	5,683	5,876
Central	22,139	22,145	0.0	22,383	23,288
Juab	3,140	2,906	8.0	3,154	3,092
Millard	3,598	3,685	-2.4	3,849	3,877
Piute	347	331	5.0	335	366
Sanpete	6,291	6,350	-0.9	6,276	7,103
Sevier	7,590	7,730	-1.8	7,594	7,695
Wayne	1,173	1,143	2.6	1,174	1,155
Southwestern	69,126	64,714	6.8	68,503	70,114
Beaver	1,947	1,950	-0.1	1,959	2,045
Garfield	2,779	2,618	6.2	2,764	2,728
Iron	14,654	13,807	6.1	14,559	15,185
Kane	3,320	3,235	2.6	3,279	3,368
Washington	46,425	43,104	7.7	45,942	46,788
Uintah Basin	18,133	16,970	6.9	18,058	18,718
Daggett	494	543	-9.0	500	501
Duchesne	6,002	5,566	7.8	5,948	6,138
Uintah	11,638	10,861	7.2	11,610	12,080
Southeastern	21,459	21,039	2.0	21,353	21,855
Carbon	8,694	8,479	2.5	8,511	8,886
Emery	3,758	3,835	-2.0	3,819	3,762
Grand	4,939	4,615	7.0	4,997	5,114
San Juan	4,068	4,110	-1.0	4,027	4,094

f = forecast r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 9/13/05